

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **March 11, 2003**

AGENDA ITEM NO.: 11

CONSENT: **X**

REGULAR:

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Business License Tax Refund**

RECOMMENDATION:

Approve a refund request for overpayment of business license tax by Phillips Staffing, Inc. for calendar years 2000, 2001, and 2002. The amount of the refund is \$25,811.88 with funds to be appropriated from the General Fund Reserve for Contingencies. This amount includes \$20,869.91 tax and \$4,941.97 interest.

SUMMARY:

Code of Virginia §58.1-3732.4, enacted January 1, 1999, allows temporary staffing agencies to deduct wages, salaries, payroll taxes, payroll deductions, workers' compensation costs, benefits, and other similar expenses of any contract employee from their reportable gross receipts. Phillips Staffing, Inc. reported gross receipts that pertained to these activities on their business license applications in the aforementioned years. They have asked that the gross receipts tax paid on those amounts be refunded. In addition, Code of Virginia §58.1-3918 requires interest to be paid on this overpayment.

PRIOR ACTION(S): March 4, 2003 Finance Committee Meeting

FISCAL IMPACT:

\$25,812 from the FY 2003 General Fund Reserve for Contingencies.

This change will result in an average annual loss of \$5,000 for FY 2003 forward.

CONTACT(S):

Mitch Nuckles, Commissioner of the Revenue
847-1594

ATTACHMENT(S): Attached Resolution

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED that \$25,812 is appropriated from the FY 2003 General Fund Reserve for Contingencies to refund overpayment of business license tax by Phillips Staffing, Inc. for calendar years 2000, 2001, and 2002.

Introduced:

Adopted:

Certified:

Clerk of Council

053L